

**JEFFERSON COMMUNITY & TECHNICAL COLLEGE'S
ADMINISTRATION OF SHELBY COUNTY'S ADULT
EDUCATION GRANTS FROM THE COUNCIL ON
POSTSECONDARY EDUCATION AND KENTUCKY
ADULT EDUCATION**

**For The Period
July 1, 2008 Through June 30, 2009**



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September 14, 2010

Reecie Stagnolia, Vice President
Kentucky Adult Education
Council on Postsecondary Education
1024 Capital Center Drive, Suite 250
Frankfort, KY 40601

Anthony Newberry, President & CEO
Jefferson Community & Technical College
109 East Broadway
Louisville, KY 40202

Re: Adult Education Grants

Dear Mr. Stagnolia and Dr. Newberry:

This report contains the results of the performance audit of Jefferson Community & Technical College's administration of Shelby County's adult education grant for the fiscal year (FY) ending June 30, 2009. The Council on Postsecondary Education and Kentucky Adult Education contracted with this office to conduct performance audits of selected local adult education programs. This report represents our findings, recommendations, and the program's responses.

The Auditor of Public Accounts conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

We greatly appreciate the courtesies and cooperation extended to our staff during the audit.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Crit Luallen", written over a horizontal line.

Crit Luallen
Auditor of Public Accounts

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EDUCATION AS OF JUNE 30, 2009**

EXECUTIVE SUMMARY

PURPOSE AND SCOPE

The Council on Postsecondary Education (CPE) and Kentucky Adult Education (KYAE) selected the Shelby County adult education program for a limited scope performance audit of its adult education grant. The Jefferson Community & Technical College is responsible for the administration of this grant. An on-site review was conducted on May 12, 2010 through May 13, 2010, to address the following objectives:

- Determine whether the local program's expenditures comply with the terms of their grant agreement and reconcile to invoices submitted.
- Reconcile student and faculty data electronically submitted to KYAE through the Adult Education Reporting Information Network (AERIN).
- Determine whether the local program's professional development activities comply with the FY 2008-2009 professional development policies and procedures.
- Report internal control weaknesses identified during our audit that relate to the audit's objectives.

To accomplish these objectives, the performance audit team reviewed the Policy and Procedure Manual for Kentucky Adult Education, as well as the local program's grant proposal and final agreement with KYAE. During the on-site review, the audit team reviewed the program's accounting records (trial balance/general ledger), interviewed program administrators regarding internal controls related to the above grants, and tested samples of expenditure documentation, participant files, and personnel files for compliance with applicable requirements.

Below is the summary of findings:

FINDINGS SUMMARY

| Finding | Disallowed Costs |
|--|-------------------------|
| One employee file did not have documentation to support the online course, KYAE 200: <i>Orientation to Adult Education</i> , was completed within 30 days of employment as required. | N/A |

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RESULTS AND RECOMMENDATIONS

FINANCIAL REPORTING AND COMPLIANCE

Scope and Methodology

The KYAE-10 Expenditure Reports were compared to the line item budget approved in the final agreement. This comparison was used to determine whether the program's reimbursements complied with the approved budget.

The KYAE-10 Expenditure Reports were then compared to the local program's internally generated financial records. This comparison was used to determine whether the program's accounting records support the total amount requested for reimbursement on the KYAE-10 Expenditure Reports.

Findings

No exceptions were noted.

PARTICIPANT ELIGIBILITY AND RECORD KEEPING

Scope and Methodology

A total of 53 participants were selected randomly from the electronic student data sent from KYAE. Documentation maintained in the participant files was compared to the electronic student data. We examined the files for the following:

- Proper eligibility documentation.
- Proper assessment testing.
- Evidence to support the achievement of goals/objectives reported to KYAE.
- Other requirements based upon the applicable program requirements.

The participants tested received services during the period from July 1, 2008 through June 30, 2009.

Findings

No exceptions were noted.

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PAYROLL AND STAFF REQUIREMENTS

Scope and Methodology

A sample of payroll disbursements was judgmentally selected for payroll testing. Documentation of hours worked was examined for existence and approval. Personnel files were examined to verify that staff had received the required professional development training hours and had the proper educational credentials required for their position.

Findings

New instructors and instructor aides working 20 or more hours per week must complete the KYAE 200: *Orientation to Adult Education* online course during the first 30 days of employment. One employee file did not have documentation to support the online course, KYAE 200: *Orientation to Adult Education*, was completed as required.

Recommendations

We recommend that all new instructors and instructor aides complete the required professional development training and that this information is documented in the employee's file.

Program Response – [A draft report was provided to program management to request their comments and any planned corrective actions related the finding. Program management was given a reasonable amount of time to adequately respond to this request.]

The employee was hired as an Instructor's Aide in April of 2009. She should have completed the *Orientation to Adult Education* course during her first 30 days of employment. According to the Shelby County AE grant program manager, she did not complete the course due to a management oversight. She is scheduled to complete the *Orientation to Adult Education* course immediately upon her return from maternity leave; this is planned for July 2010.

In the future, the program will ensure that all employees will complete the *Orientation to Adult Education* course during the first week of employment. This will be included in internal procedures for the program.

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PURCHASING/EXPENDITURE COMPLIANCE

Scope and Methodology

A sample of 6 expenditures, representing at least 20 percent of the total purchases, was selected judgmentally from the detailed general ledger. These expenditures were tested for authorization/approval, supporting documentation, and proper recording. We also verified that the expenditures were made during the grant period from July 1, 2008 through June 30, 2009.

Findings

No exceptions were noted.

PROFESSIONAL DEVELOPMENT REIMBURSEMENT COMPLIANCE

Scope and Methodology

Professional development expenditures were tested for proper authorization, supporting documentation, and adherence to approved rates and reimbursement policies. A sample of 5 expenditures, representing at least 20 percent of the total professional development expenditures, was selected judgmentally from the detailed general ledger.

Findings

No exceptions were noted.

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INTERNAL CONTROLS RELATING TO GRANT

Scope and Methodology

Jefferson Community & Technical College's Program Director was given an Internal Control Questionnaire regarding the controls in place for expenditures, bank reconciliations, revenue, and payroll. The questionnaire was completed by the program director and/or the fiscal administrator and reviewed by the audit team for any significant control deficiencies.

Findings

No significant control deficiencies were noted.